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STATE FOR EAP/MLS, EEB/TPP/IPE STATE PASS TO USTR FOR WEISEL, BISBEE, AND BAE COMMERCE FOR EAP/MAC/OKSA COMMERCE PASS TO USPTO

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TAGS: ECON ETRD KIPR PINR PREL TH

SUBJECT: THAILAND: A NEW INTELLECTUAL PROPERTY STRATEGY

REF: A. BANGKOK 1203 (PATPONG RAID)

1B. BANGKOK 379 (RIGHT MOVES ON IPR)

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- 11. (SBU) SUMMARY: Deputy Commerce Minister Alongkorn Ponlaboot, the government's face of its intellectual property rights (IPR) campaign, has devised a new interagency strategy to combat IPR piracy in Thailand. Alongkorn explained to the Ambassador on May 27 that his proposed strategy, which he has coined "Creative Thailand," will become the government's official IPR policy and will involve multiple ministries, including the Ministries of Education, Science and Technology, Public Health and Agriculture. His plan has already received approval from the government's interagency IPR committee, and he now hopes to present the overall strategy to the Cabinet for final policy approval later this month. The Ambassador applauded Alongkorn on his personal efforts over the past six months to improve the government's protection of IPR and encouraged him to keep the pressure on the country's criminal IP syndicates, particularly if he hopes to move Thailand off of the Special 301 Priority Watch List in 2010. END SUMMARY.
- 12. (SBU) COMMENT: While the government has had multiple IPR action plans and strategies in the past, the personal involvement of Deputy Commerce Minister Alongkorn, who has tied his career and reputation to the success of this IPR campaign, could make a difference if the government can continue these efforts over the long run. What is particularly impressive is that Alongkorn has now enlisted the cooperation of other key government ministries to implement the strategy; whether this cooperation will be realized will be a real challenge within Prime Minister Abhisit's still-fragile coalition cabinet. A high profile May 6 raid in the notorious Patpong Night Market (reftel), that was largely perceived as a debacle, temporarily slowed Alongkorn's IPR efforts, but it appears he is now back on track. We continue to emphasize to Alongkorn and his IPR team that the government's efforts must be sustained over a longer period and demonstrate significant results, if the government is serious about its IPR campaign and its desire to justify the removal of Thailand the Special 301 Priority Watch List. END COMMENT.

Thailand's Intellectual Property Strategy

 $\underline{\ }$ 3. (SBU) In a meeting with the Ambassador on May 27, Deputy Commerce Minister Alongkorn Ponlaboot pitched his policy framework for the government's overall IPR strategy. (Note: We will forward a full English translation of the strategy to the Department separately via e-mail.) The National Intellectual Property Committee, chaired by

Prime Minister Abhisit, adopted the framework on May 25. Alongkorn hopes to present the overall strategy to the Cabinet for interagency approval by the end of June.

- 14. (SBU) Alongkorn described his plans to the Ambassador as the "Creative Thailand Strategy," with the goal that Thai citizens will be motivated and inspired to create their own intellectual property to propel the Thai economy forward. The Ambassador commended Alongkorn on his continued efforts to improve the government's IPR policies and particularly noted Alongkorn's personal efforts to convince the Thai public that IPR should be even more important to Thai citizens and businesses for the future of the Thai economy than to foreign governments and foreign rights holders. Alongkorn concurred, noting that he believes Thailand's "creative economy" could become the engine for growth that the country very much needs during the current global economic downturn. He candidly added that his dreams of a self-sufficient "creative economy" will depend on whether the government can prevent or at least lessen the high levels of piracy throughout the country today.
- 15. (SBU) Alongkorn and the staff of the Department of Intellectual Property at the Ministry of Commerce have revitalized a six-part interagency strategy to make IPR a national policy priority. Alongkorn emphasized that the strategy will involve other key ministries, including Science and Technology, Public Health, Industry, Education, and Agriculture, to ensure the strategy's success. The six components include the following:
- IP Creation: Promote the creation of Thai IP in areas that will improve Thailand's economic competitiveness. Encourage government and private investment to develop innovative technologies;
- IP Commercialization: Actively promote marketing and investment opportunities for Thai-owned IP to ensure commercial success. (Note:

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The Ministry of Commerce, along with representatives of Thailand's film, music, and other creative industries, will host a national Intellectual Property Fair, as part of this strategy, on June 12-14 to promote Thai-owned IP.);

- IP Protection: Improve Thailand's legal regime for intellectual property rights and ensure compliance with international legal standards. Propose amendments to the copyright and trademark laws;
- IP Violation Prevention and Suppression: Significantly increase the government's prevention and law enforcement efforts to protect against continuing large-scale piracy and counterfeiting;
- IP Awareness and Education: Raise awareness of Thai citizens and businesses of the importance of IP to Thailand's economy. In coordination with IP experts, develop education curriculums to raise awareness of students from elementary to university levels.
- Fiscal and Monetary Support for IP Strategy: Source government and private sector funds to support the government's overall IP strategy implementation. Coordinate with the Ministry of Finance and revenue-collecting agencies to shore up funds to enhance the government's activities.

## IPR Legal Improvements Already Underway

- 16. (SBU) Alongkorn asserted that his immediate priority will be to improve the government's legal authorities to arrest, prosecute and convict buyers, sellers, and distributors of pirated and counterfeit goods. He hopes the court will be able to hand down more deterrent sentences to those convicted of IP violations. He highlighted a successful case earlier this year, where the court sentenced three IP offenders to two-year prison sentences, a rare occurrence but one that he hopes will become more common after the government proposes amendments to increase criminal penalties under the various IP laws.
- 17. (SBU) Alongkorn has specifically proposed amendments to the

Copyright and Trademark Acts, changes that will increase penalties for convicted sellers and distributors of pirated and counterfeit goods. He has also put forward provisions that will enable the government to arrest and prosecute the buyers of pirated goods. (Note: This is a controversial provision that many rights holders and IP lawyers believe could derail the entire initiative) The proposed amendments also include landlord liability provisions that will enable the government to prosecute those who lease property to vendors and distributors of pirated and counterfeit goods. Alongkorn has also suggested adding piracy and counterfeiting as predicate offenses under the money laundering law.

18. (SBU) While the legislative process to amend these laws will be lengthy, Alongkorn is personally pushing the changes forward. He chaired a public hearing on June 1 to explain and discuss the amendments with interested parties, as required by law. The specific increases for the penalties are still under debate, but rights holders at the June 1 hearing told us they were pleased with Alongokorn's initiative to improve the laws. Commerce Minister Porntiva Nakasai is expected to propose the final amendments to the Cabinet within the next month, after which drafts can be sent to the Council of State for additional scrutiny. The amendments could be presented to Parliament by the end of the year.

JOHN